



**REPORT TO THE FINANCE AND
CORPORATE SERVICES COMMITTEE**

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TO: FINANCE AND CORPORATE SERVICES COMMITTEE

PREPARED BY AND KEY CONTACT: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT
EXT. 5036

SUBMITTED BY: S. SCHLICHTER, DIRECTOR OF BUSINESS DEVELOPMENT

GENERAL MANAGER APPROVAL: Z. LIFSHIZ, EXECUTIVE DIRECTOR OF INVEST BARRIE

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

DATE: JUNE 5, 2018

SUBJECT: TOURISM SERVICE DELIVERY AND MAT ASSESSMENT

RECOMMENDED MOTION

1. That a Municipal Accommodation Tax (MAT) as identified in Regulation 435/17 of the Ontario *Municipal Act, 2001* be implemented in the amount of 4% of room rates on transient hotel, motel, inns, effective January 1st, 2019.
2. That Tourism Barrie as the City's 'tourism entity' defined in Regulation 435/17 receive 50% of the MAT as outlined in the conditions of the legislation.
3. That the Director Business Development and Director of Finance, be authorized to negotiate an agreement with Tourism Barrie for the collection of the MAT on behalf of the City under the following principles:
 - a) In adherence with all applicable law under the *Municipal Act, 2001*;
 - b) Advancing up to 4 months of operating funds to Tourism Barrie in year one of the agreement to allow Tourism Barrie to fund operations while the MAT is implemented and fund collection stabilized;
 - c) The MAT be collected on a monthly basis and remittances be received to the City of Barrie on a quarterly basis with a verified summary from Tourism Barrie;
 - d) Appropriate fiscal accountability, audit requirements, inspection powers, termination provisions, and any other requirements identified through the applicable legislation to ensure appropriate accountability and oversight;
 - e) An annual service fee not to exceed 2% or \$25K (indexed annually to CPI) of the total MAT collection per annum;
 - f) The agreement not to exceed three-years; and
 - g) The commitment of Tourism Barrie to support strategic initiatives with the City within the tourism sector in alignment with the Tourism Sector Master Plan, once completed.
4. That staff in the Business Development Department report back to General Committee annually in years 1 and 2 of the agreement, and at minimum, four months prior to the expiration of the agreement (October 2021) in year 3 with a review of the activities of Tourism Barrie, the impact of the MAT, recommendations related to the future application and collection of the MAT, and the inclusion of additional transient accommodations (Airbnb, etc.).
5. That the City Clerk be authorized to execute any documents that may be requisite to implement the MAT and associated agreement(s) with Tourism Barrie to collect and remit the MAT in a form acceptable to the Director of Finance, Director of Business Development and the Director of Legal Services.

6. That a Tourism Reserve Fund be established for the City's portion of the MAT and be utilized under the following principles and purposes:
 - a) The annual administrative fee as a percentage of the MAT negotiated in accordance with paragraph 3 e) of the recommended motion;
 - b) Capital Asset refurbishment or new capital assets that support tourism;
 - c) Studies, strategic initiatives, new product development, or marketing campaigns consistent with the City's Tourism Sector Master Plan; and
 - d) A minimum annual uncommitted balance of \$100K be maintained to provide a source of stabilization funding if required.

7. That an intake form be included in the 2019 Business Plan and Budget for Council's consideration for tax base support for:
 - a) The annual administrative fee as a percentage of the MAT negotiated in accordance with paragraph 3 d) of the recommended motion; and
 - b) Funding estimated at \$110,000 for Invest Barrie to lead, with the support of Tourism Barrie, the completion of a Tourism Sector Master Plan for the City that would consider the opportunities identified in the tourism services assessment report completed in 2016, along with other priorities identified by City of Barrie staff including sport tourism and corporate/conference development.

8. That a Tourism Working group be established comprised of the following members:
 - Councillor _____ (for a term ending November 30th, 2018);
 - Councillor _____ (for a term ending November 30th, 2018);
 - Director of Business Development or designate;
 - Director of Creative Economy or designate;
 - Director of Recreation Services or designate;
 - Director of Finance and City Treasurer;
 - One representative of Downtown BIA;
 - Two representatives of the Barrie Hotel Association;
 - Two representatives of Tourism Barrie; and
 - One community representative from the Sport Tourism Advisory Committee.

9. That in the Terms of Reference for the Tourism Working Group detailed in Appendix "A" of the Report to the Finance and Corporate Services Committee dated June 4, 2018, with the intent of guiding the scope and development of a Tourism Sector Master Plan for the City and its implementation of the recommendations on use of MAT funds, be adopted.

10. That the proposed by-law attached as Appendix "B" to Report to the Finance and Corporate Services Committee dated June 4, 2018 be introduced to bring the MAT into force and effect for January 1, 2019.

PURPOSE & BACKGROUND

Report Overview

11. The purpose of this Report is to seek approval for the implementation of a Municipal Accommodation Tax (MAT) across the City of Barrie; for Tourism Barrie to be the recipient of 50% of the MAT per the requirements of Regulation 436/17 of the Municipal Act (The Act) and serve as the collection agent for the MAT. In addition, the report further seeks approval for the use of the City's portion of the MAT.
12. The intended purpose of implementing a Municipal Accommodation Tax is primarily to provide stable, predictable, sustainable and performance based funding for sales and marketing programs, but also to increase spending on non-sales related tourism development projects, events and activities.
13. A Municipal Accommodation Tax of 4% would only be applicable to the room portion of the costs associated to overnight accommodations. All other revenues generated from the accommodation services; whether sold individually or included in a room package; are excluded from the MAT and would include meeting room rental, food and beverage, room service, internet access, parking etc.

Background

14. As part of budget direction for 2016, staff in Invest Barrie were asked to investigate alternative service delivery options for tourism services including a potential partnership with the County of Simcoe and/or internalizing the Corporate tourism function, to allow for the future discontinuance of funding associated with Tourism Barrie, and report back to General Committee.
15. In January, 2017, staff delivered a presentation to Council presenting an analysis and recommendations of the delivery of tourism services for the City. Further to the presentation from staff, In January 2017, City Council adopted motion 17-G-023 as follows:

"Invitation to Provide a Presentation – Tourism Barrie Amendment

That motion motion17-G-023 of Section 'B" of the General Committee Report dated January 30, 2017 concerning an Invitation to provide a presentation - Tourism Barrie, be referred to staff in Invest Barrie and the Chief Administrative Officer to allow for a meeting to be held with the Board and staff in Tourism Barrie to review matters addressed in the presentation provided to General Committee on January 30, 2017 including the service delivery model, Destination Marketing Fee, and ensuring collaboration between tourism agencies, and report back to General Committee."
16. Since the receipt of Council Direction in 2017, the Province of Ontario released their 2017 budget that granted authority to Ontario municipalities to institute a mandatory Municipal Accommodation Tax. Bill 127 was passed on May 17, 2017, which provided the Province with the legislative framework for the Municipal Accommodation Tax (MAT). Following which, the Ministry of Municipal Affairs, Ministry of Finance, and the Ministry of Tourism, Culture and Sport developed the regulatory framework for the administration of the MAT and on December 1, 2017 Transient Accommodation Regulation 435/17 came into effect, providing the necessary provisions for municipalities across Ontario to implement a MAT.

17. As part of the 2018 Business Plan discussions, staff were directed to assess the MAT. The following is an excerpt from motion 18-G-014 as amended, related to the matter:
- “16. That staff in the Business Development and Finance Departments in consultation with Tourism Barrie, and in accordance with the *Municipal Act, 2001* - Transient Accommodation Tax Regulation 435/17, be directed to assess the fiscal and tourism sector development opportunities associated with the new Regulation and report back to General Committee in April 2018, as follows:
- a) With an analysis and proposed implementation plan; and
 - b) Further to Council motion 17-G-022, Business Development Staff continue with the analysis of tourism services with recommended actions in consideration of the new Regulation.”

Overview of Legislation

18. The following are the key highlights of the Legislation:
- a) For local municipalities where a DMO (Destination Marketing Organization) program does not exist, at least 50 per cent of their hotel tax revenue would be shared with an eligible tourism entity;
 - b) The Act defines an ‘eligible tourism entity’ as a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality;
 - c) Any amounts paid to an eligible tourism entity shall be used by the eligible tourism entity for the exclusive use of promoting tourism; and
 - d) The municipality and tourism entity shall enter an agreement respecting reasonable financial accountability matters, including auditing records of Tourism Barrie and records of amounts collected, in order to ensure that the amounts paid to the entity are used for the exclusive purpose of promoting tourism.
19. The remaining funds collected (50%) are not required to be allocated to a ‘tourism entity’ and have no restrictions; however, stakeholders have identified that it is important to see these funds benefiting tourism-related initiatives and/or infrastructure projects supporting tourism.
20. The Act requires a local municipality to include the following within the respective MAT by-law:
- a) The name of the tax to be imposed;
 - b) The rate of the tax to be imposed;
 - c) The manner in which the tax is to be collected, including the designation of any persons or entities who are authorized to collect the tax as agents for the municipality and any collection obligations of persons or entities who are required to collect the tax;
 - d) Failing to comply with the by-law;
 - i) interest on the outstanding amount;
 - ii) assessment of outstanding tax, penalties or interest;
 - iii) audit and inspection powers; and
 - iv) the establishment and use of dispute resolution mechanisms.
21. The regulation also provides exemptions for properties owned by the Crown, Universities, Colleges, Post-Secondary Schools, Hospitals, Long-term Care Homes, and other exemptions, as approved by Council. In addition, the regulation allows the municipality to enter into agreements with entities to collect the tax, acting as agents for the municipality, and prescribes a revenue sharing formula where proceeds are shared with the eligible local tourism organization.
22. Appendix “B” provides the proposed language for a by-law to be introduced should an MAT be approved by Council.

23. Since the legislation has been brought into force and effect the following municipalities have adopted or are seeking to implement an MAT

Municipality	Status	MAT Rate
Ottawa	Approved, Effective January 1, 2018	4%
Brockville	Approved, Effective April 1, 2018	4%
Toronto	Approved, Effective April 1, 2018	4%
Mississauga	Approved, Effective July 1, 2018	4%
London	Council approved MAT. Effective Implementation to be further approved by Council	Recommended 4%
Kingston	Being proposed, not yet approved.	Recommended 4%
Thunder Bay	Being proposed, not yet approved.	2-3%
Town of Markham	Council approved investigation of tax	Recommended 4%

Stakeholder Consultation

24. City staff have worked with Tourism Barrie and its membership of hoteliers to review the implementation of a MAT as a revenue tool for both the tourism sector to have a stable and consistent revenue stream to strengthen its marketing and promotion of tourism assets, and for the City to have a new revenue stream to invest in programming and capital investments that support the development of tourism assets within the community.
25. According to Tourism Barrie, there are 12 hotels operating in the City of Barrie employing approximately 320 people with an overall payroll of 8.45 million dollars annually.
26. Staff consulted with Tourism Barrie and Hoteliers to discuss the implementation and the majority of hoteliers supported the implementation of the MAT, and identified certain areas of interest and concern, including:
- a) Support for Tourism Barrie to operate as the collection agent and recipient of the non-profit tourism entity portion of the MAT;
 - b) That a management board be created to oversee utilization of the MAT collected funds;
 - c) That the City's contribution remain constant; and
 - d) That a 2-3-month minimum timeline is required to prepare and set-up their systems to collect and administer a MAT.
27. Hoteliers support a MAT at 4% as it is in-line with most municipalities who have already implemented a MAT program. Appendix "C" includes the letters of support from local hoteliers related to the MAT.

28. Tourism Barrie and the Barrie Hotel Association anticipate a number of benefits stemming from the implementation of a mandatory MAT. A MAT not only provides transparency in fees collected but ensures compliance from all eligible accommodators. The current model does not have all hoteliers contributing to Tourism Barrie's sales, marketing and destination development efforts which ultimately benefit the entire sector. Additional benefits realized from a common tax include a consistent visitor experience, increased revenues to grow and enhance the sector which will in turn increase visitation and economic impact to the City. The cumulative effects are evident in other jurisdictions across the Country.
29. In addition, with a mandatory MAT, Tourism Barrie would be well positioned to attract more major events and sport tournaments, meetings and conferences and support tourism focused cultural activities. The attraction of events, tournaments and meetings not only increases visitation but has been proven as an economic stimulus to industry and will increase the revenues from the business traveler as well as the leisure traveler. The impact of this is measured not only in actual visitors but in the residual effects of using tourism to attract talent and investment to the City.

ANALYSIS

30. In Ontario, destination marketing fees and other tourism fees through Destination Marketing Programs (DMPs) have traditionally been voluntary, industry-led initiatives that have been recognized by many accommodators and tourism operators as an effective means of supporting regional tourism marketing and development efforts. Contributions to DMPs from participating hotels are calculated in a number of ways, including for example, as a flat rate per room night sold or a percentage of room revenues. DMPs or other industry fees are not legislated by the government, are generally collected through non-profit local tourism industry entities, and are not apportioned with the local government.
31. Tourism Barrie does not currently have a DMP. In 2016, Tourism Barrie had a performance benchmarking report completed by the Destination Marketing Association of Canada. This study indicated that within their peer group of destination marketing organizations, Tourism Barrie's budget is less than half of its peer group. Further, the study showed that 55% of Tourism Barrie's funds are sourced from municipal and other levels of government, while the average within Tourism Barrie's peer group of destination marketing organizations with budgets of less than \$2 million, is 68% publicly funded.

Tourism as an Economic Driver

32. Tourism is an economic driver for the City as it supports new and existing business growth, creation of jobs, export revenues and infrastructure development. According to the World Tourism Organization (UNWTO), global travel is expected to continue to grow at a rate of 3 to 4 percent per year.
33. The tourism assessment completed in 2016 and presented to Council identified that while Tourism Barrie has a very strong and effective destination marketing program, there is no formal long-term vision for tourism-related destination management in the City that is aligned with the economic strategy and Council strategic priorities for the City of Barrie.
34. Figures from Tourism Barrie on the accommodation sector indicate that approximately 475,000 people stayed in a Barrie commercial hotel in 2017, bringing in an estimated \$68,500,000 dollars of dollars into the Barrie economy.

35. Significant opportunity exists to leverage the tourism sector to support key pillars in the Invest Barrie strategy, including business expansion and investment through new product development, City Centre revitalization and the development of a creative hub, and the overall influence over quality of life as a business and talent attraction tool.
36. Given that there is no comprehensive tourism strategy for the City, the development of a Tourism Sector Master Plan for the City is a key deliverable as part of the consideration of implementing a MAT. The completion of a Tourism Sector Master Plan will effectively define the impact, opportunities, business trends and articulate a long term vision for tourism in Barrie that will align the strengths of the City with the opportunity for tourism development.
37. Further, the development of a Tourism Sector Master Plan will identify opportunities for the City and Tourism Barrie to utilize their portion of the MAT to have the greatest impact on growing the economy and the tourism sector.

City Portion of the Funding

38. Based on the 2017 annual occupancy and accommodation revenues provided by Tourism Barrie, the estimated revenues that would have been subject to an MAT is \$30,553,676.00. Based on a proposed MAT of four percent, the revenues generated would be \$1,222,147.00. As the 'tourism entity' defined under the Act, Tourism Barrie would be allocated 50% or \$611,073.50.
39. Economic conditions will have an impact on the MAT revenue on an annual basis. Historical annual growth in occupancy in Barrie, combined with the rationale that increased investment in tourism and tourism marketing through an MAT would drive increased room occupancy and associated room rates, would suggest that an MAT would provide a relatively stable and sustainable revenue source.
40. In order to reflect the intent of the MAT, it is recommended that a Tourism Reserve Fund be established for the City's portion of the MAT with the purpose of the reserve to be utilized to fund capital or operating projects that will have a positive impact on the tourism sector through asset refurbishment, asset development, product development or strategic initiatives. Existing projects or new projects identified through the development of a Tourism Sector Master Plan could be supported by the fund and could include:
 - a) sport and corporate event bid support and hosting;
 - b) investment in large-scale community tourism infrastructure (ie. W.A. Fisher Auditorium);
 - c) cultural event development and ongoing support; and
 - d) financial support to incubate new product development.
41. As a result of potential fluctuations in the annual revenue generated from a MAT. There is the potential that forecasted revenues will be less than required to fund annual commitments. As a result, it is recommended that within the Tourism Reserve Fund, a minimum balance of \$100,000 be maintained as uncommitted annually to provide operating stabilization funds if needed.

Municipal Tax Base Funding to Tourism Barrie

42. Council direction, as part of its budget directions for 2016, was for Invest Barrie staff to investigate alternative service delivery options for tourism services including a potential partnership with the County of Simcoe and/or internalizing the corporate tourism function, to allow for the future discontinuance of funding associated with Tourism Barrie, and report back to General Committee.
43. According to Tourism Barrie, their annual operating budget is just under \$500,000 per year which includes the City's contribution of \$213,520 from property taxes. Based on 2017 hotel revenues generated, the introduction of a MAT would effectively increase the municipal contribution to a total

of approximately \$611,000 annually (with no property tax contribution), under the requirement that 50% of the MAT being dedicated to a 'tourism entity'. The 50% contribution of the MAT to Tourism Barrie is based upon annual hotel revenues.

44. Given that the recommended implementation date is January 1st, 2019 and Council have approved annual operating funding for Tourism Barrie as a service delivery agent for 2018, there would be no changes to the tax base funding for Tourism Barrie in 2018.
45. Consultation with hoteliers indicated that they are seeking continued annual operating support for Tourism Barrie from the property tax base, allowing the funds generated through the transient accommodation tax to focus on bolstering tourism promotion and development opportunities. Consultation with Tourism Barrie demonstrated support for tax base funding to remain in support of development of the tourism sector and included support for the City to retain the funds for internal initiatives to that end.
46. During the upcoming 2019 Business Plan and Budget, staff will make recommendations on future contributions to the City's Tourism Reserve from the existing property tax base to support the development of a Tourism Sector Master Plan and the administrative fee associated with sourcing the collection of the MAT to Tourism Barrie.
47. The completion of a Tourism Sector Master Plan will effectively define the impact, opportunities, business trends and articulate the vision and action plan to further develop the tourism sector as an economic driver for the City and in alignment with the Invest Barrie strategy. Staff will include an intake form as part of the 2019 Business Plan and Budget for Council consideration for the completion of a Tourism Sector Master Plan.
48. Invest Barrie would lead the procurement of a consultant to complete the Tourism Sector Master Plan in collaboration with Tourism Barrie and with the support of the Tourism Working Group. Further, additional funding sources will be investigated to leverage the City's funding for the project.

Tourism Barrie as Collection Agent for MAT

49. Regulation, Section 400.5 of the *Municipal Act, 2001*, provides that the municipality may enter into agreements with another person or entity, to provide for the collection of the tax imposed and to administer and enforce the bylaw on the municipality's behalf, and prescribes a revenue sharing disposition formula where proceeds are shared with the eligible local tourism entity.
50. Tourism Barrie has made a proposal to the City to act as its designate for collection and administration of the MAT. It has proposed to perform this function for a two percent administration fee to a maximum of \$25,000 (indexed annually using the CPI rate) of the annual collected MAT revenue.
51. Given the existing relationships that Tourism Barrie has with the hotel and accommodation industry, they are a logical choice to administer the MAT. If the City were to collect the fee, a system and resource would be required to administer the MAT that are not included within any current department operations. In comparison to the cost of developing a system within the City's internal Finance Department and the ongoing resources required to administer an MAT, Tourism Barrie's proposal is an efficient and cost-effective solution.

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52. A service agreement(s) between Tourism Barrie and the City of Barrie would be developed in advance of the implementation of the MAT to ensure obligations are clear between the Parties, any exclusions to the MAT, how the tax payment is made and remitted, the penalties for failing to comply with the by-law, audit requirements, inspection powers, termination provisions, and any other requirements identified through the applicable legislation to ensure appropriate accountability and oversight.
53. Further, from a strategic perspective, the following principles would be included in the agreement(s):
- a) That Tourism Barrie seek to collaborate with regional partners to leverage funds and assets to further support product and experience development that will lead to greater prosperity in the sector; and
 - b) That Tourism Barrie participate with Invest Barrie to complete a Tourism Sector Master Plan where Invest Barrie is the lead and the City executing the RFP. Tourism Barrie will participate in the evaluation on a joint committee of City Staff and Tourism Barrie. The Master Plan will include an action plan that will specifically identify opportunities for product and experience development that align with the objectives of the Invest Barrie strategy relate to talent attraction, downtown as a creative hub and investment attraction.
54. These additional principles address the gaps identified in the tourism sector review completed in 2016 and provide a direct linkage to the overall economic strategy for the City through Invest Barrie that promotes economic diversification.
55. The duration of the agreement is proposed to be three (3) years, in order to allow for an appropriate amount of time for the program and processes to be implemented and refined, the Tourism Sector Master Plan with an action plan to be developed and impact measures to be defined and collected in order to provide a comprehensive report back to General Committee with recommendations for future application and collection of the MAT.

MAT Implementation Plan

56. Should the approval of the MAT and the proposed designate agreement, a mandatory MAT of four percent will be applicable within the City of Barrie as of January 1st, 2019. This additional revenue will provide additional capacity to the local tourism sector to attract more events, sports tourism, corporate meetings and conferences in key markets, as well as fund and product and destination development initiatives. The increased tourism activity will not only attract more visitors but will support talent and investment attraction and will ultimately drive economic growth for the City of Barrie and region.
57. Transient accommodations are not defined as part of the Municipal Act, 2001 and the new MAT regulation. As such, the municipality has the authority to determine the types of short-term accommodations to be included in the implementation, with prescribed exceptions for universities and colleges. Beyond hotel accommodation, the municipality could consider transient accommodations to include Airbnb, Vacation by Owner, camp sites, transient boat slips, bed and breakfast or other accommodation that is short-term in nature.
58. The City of Barrie currently has approximately 250 bed and breakfast and Airbnb/HomeAway/VRBO type accommodations. Given that there may be other considerations with those types of accommodations operating from an owner's primary residence, the inclusion of these types of short term rentals would be considered as part of a phase two implementation, so that the City can consult and review with the industry, operators and best practices with other municipalities.

Tourism Advisory Committee

59. In order to address the input of hoteliers as it relates to the MAT, hoteliers indicated that a MAT Management Committee be established to manage the direction of MAT funds. Given that the MAT is guided by the *Municipal Act, 2001* and the management of City revenues is at the discretion of Council, staff are recommending the creation of a Tourism Working Group.
60. The Committee would guide the scope and development of a Tourism Sector Master Plan for the City and its implementation that includes recommendations on use of MAT funds by both Tourism Barrie and the City.
61. Proposed membership of the Tourism Advisory Committee include members of the Barrie Hotel Association, Tourism Barrie, Invest Barrie (Business Development and Creative Economy), Parks and Recreation Department, Finance Department and Downtown BIA. Appendix "A" provides a draft terms of reference for the Tourism Advisory Committee.

ENVIRONMENTAL MATTERS

There are no environmental matters related to the recommendation.

ALTERNATIVES

62. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could recommend that a MAT not be implemented.

This option is not recommended as a MAT provides a level playing field from all eligible accommodators. The current model has only a few contributing to Tourism Barrie's sales, marketing and destination development efforts which ultimately benefit the entire sector. Additional benefits realized from a common tax include a consistent visitor experience, increased revenues to grow and enhance the sector which will in turn increase visitation and economic impact to the City. The cumulative effects are evident in other jurisdictions across the Country.

Implementing a MAT provides a stable revenue source to grow the tourism sector in expanding its destination marketing activities and supporting Barrie's competitiveness in the overall marketplace for attracting tourism revenues to the City.

Alternative #2

General Committee could recommend an alternate organization under the definition of 'tourism entity' to provide 50% of the MAT revenue to.

This alternative is not recommended given that Tourism Barrie is currently the City's funded destination marketing organization and that all current tourism marketing functions for the City are being executed by Tourism Barrie.

Further, feedback from local hoteliers who would be responsible for collecting the MAT have endorsed Tourism Barrie as the fund recipient.

Staff recognize that participating in regional tourism opportunities through organizations such as Simcoe County Tourism brings strategic benefits to Barrie and area. As such, staff are recommending that the agreement with Tourism Barrie related to the MAT include a provision that would require Tourism Barrie to collaborate with regional partners to leverage funds and assets to further support product and experience development that will lead to greater prosperity in the sector.

Alternative #3 General Committee could recommend the implementation a MAT at a rate greater or less than 4%.

This alternative is not recommended. 4% percentage is reflective of the percentage typically utilized in destination marketing programs and reflects the rate that the majority of municipalities implementing an MAT have established. Aligning with the rate that has been generally accepted in the sector supports market acceptance of the rate. Local hoteliers have supported 4%.

Alternative #4 General Committee could recommend an alternate agency to collect the MAT or the collection be completed internally with City Resources.

This alternative is not recommended as Tourism Barrie is proposing to charge a 2% fee to support the administrative costs associated with collecting and remitting the tax in compliance with legislation. This cost is estimated at approximately \$24,500 based upon 2017 figures.

In the case of other third party examples including Ottawa Gatineau Hotel Association and Greater Toronto Hotel Association, the first intends to charge 3% and the latter proposes an annual fee not to exceed \$225,000 per annum. While both markets are significantly larger, Tourism Barrie is providing a competitive rate within the current market and one that is more cost effective than the City taking on the role internally when consideration for the management and human resource allocation are considered.

The City would have an agreement with Tourism Barrie that will define obligations for both parties that ensure compliance with the Act, and termination clauses.

Alternative #5 General Committee could choose not to establish a Tourism Reserve Fund and direct its portion of the funding to other sources.

This alternative is not recommended as the MAT is collected directly from the accommodation sector that is driven by tourism activity – corporate, leisure and sport. The tourism sector provides economic benefit to the City and injects new dollars into the community. In consultation with local hoteliers, they are only supportive of an MAT if the City's portion of the funds are utilized to invest in projects that will have a positive impact on the tourism sector.

The establishment of a Tourism Reserve Fund will allow for investment of the City's portion of MAT revenues into capital or operating projects that will have a positive impact on the tourism sector through asset development, product development or strategic initiatives. It will also provide opportunity for the City to advance or accelerate existing projects and grow the economic benefit of the sector to the City.

FINANCIAL

63. Based on Tourism Barrie data, 2017 annual occupancy and accommodation revenues were calculated to be \$30,553,676.00. A proposed MAT of four percent of revenues generated would be estimated at \$1,222,147.00, with 50% of the funds being directed by legislation to a 'tourism entity' as defined under Regulation 435/17 of the Ontario Municipal Act, 2001. The remaining 50%, or approximately \$611,073.50 is permitted to be allocated at the City's discretion.

64. Economic conditions will have an impact on the total MAT revenue on an annual basis. Historical annual growth in occupancy in Barrie, combined with the rationale that increased investment in tourism marketing through an MAT would drive increased room occupancy and associated room rates, make it reasonable to assume that the MAT would provide a relatively stable and sustainable revenue source.
65. The City's portion of the MAT is recommended to be dedicated to a Tourism Reserve Fund for the purposes of funding capital or operating projects that will have a positive impact on the tourism sector through asset refurbishment, asset development, product development, strategic initiatives, or marketing campaigns.
66. It is recommended that the Tourism Reserve be utilized under the following principles and purposes:
- a) Funding of the annual administrative fee to administer MAT;
 - b) Capital Asset refurbishment or new capital assets that support tourism;
 - c) Studies, strategic initiatives, new product development, or marketing campaigns consistent with the City's Tourism Sector Master Plan; and
 - d) A minimum annual uncommitted balance of \$100K be maintained to provide a source of stabilization funding if required.
67. Tourism Barrie has made a proposal to the City to act as its designate for collection and administration of the MAT. It has proposed to perform this function for a two percent fee administration fee of the annual collected MAT revenue. Based on 2017 figures, the administration fee is approximately \$24,400.00 and would include a part-time staff position and costs for auditing hotels, auditing financial statements, reporting and software.
68. Invest Barrie Staff are recommending that the 2% administrative costs associated with contracting Tourism Barrie as collector of the MAT be allocated from the property tax base to Tourism Barrie.
69. Staff in Invest Barrie will be submitting an intake form in the 2019 Business Plan and Budget for Council's consideration for tax base support for:
- a) The annual administrative fee as a percentage of the MAT; and
 - b) Funding estimated at \$110,000 for Invest Barrie to lead, with the support of Tourism Barrie, the completion of a Tourism Sector Master Plan for the City.
70. Given that the recommended implementation date is January 1st, 2019 and Council have approved annual operating funding for Tourism Barrie as a service delivery agent for 2018, there would be no changes to the tax base funding for Tourism Barrie in 2018.

LINKAGE TO 2014-2018 STRATEGIC PLAN

71. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:
- Vibrant Business Environment
 - Responsible Spending
72. The implementation of the MAT will allow Barrie to compete on a national stage, provide a new revenue source to the City to drive new and existing projects that support the tourism sector, contributing to increased community prosperity and economic diversification.

APPENDIX "A"

Tourism Working Group

Terms of Reference – Tourism Working Group

1. Reporting Structure

Staff will report to Finance and Corporate Services Committee or successor Committee semi-annually on actions of the Working Group via memorandum/report.

2. Mandate

To identify with Invest Barrie and Tourism Barrie, opportunities and initiatives to advance the tourism sector in support of the Invest Barrie strategy and Tourism Sector Master Plan, including business expansion and investment through new product development, City Centre revitalization and the development of a creative hub, and the overall influence over quality of life as a business and talent attraction tool.

To advise and make recommendations as to opportunities to fund tourism initiatives and projects from the funds collected under the Municipal Accommodation Tax (MAT).

3. Objectives

Advise on the development and implementation of a Tourism Sector Master Plan for the City. The completion of a Tourism Sector Master Plan will effectively define the impact, opportunities, business trends and articulate a long term vision for tourism in Barrie that will align the strengths of the City with the opportunity for tourism development.

4. Work plan

Phase One

- a) Determine a scope of work for the creation of a Tourism Sector Master Plan and associated requirements per the City's procurement practices;
- b) Identify additional sources of funding support to complete a Tourism Sector Master Plan
- c) Provide feedback to agency procured to the complete the Tourism Sector Master Plan.

Phase Two

To be determined based upon the action plan and recommendations of the Tourism Sector Master Plan, once completed.

5. Composition

- Two members of Council;
- Director of Business Development or designate;
- Director of Creative Economy or designate;
- Director of Recreation Services or designate;
- Director of Finance and City Treasurer;
- One representative of Downtown BIA;
- Two representatives of the Barrie Hotel Association;
- Two representatives of Tourism Barrie; and
- One community representative from the Sport Tourism Advisory Committee.

Other City Departments or representatives from other organizations will be invited to participate in meetings of the working group as required.

6. Term

The term of the working group will be for the duration of Phase 1 of the Work Plan. A report to General Committee will be provided at that time to provide recommendations on the continuance and composition of the Working Group as part the implementation and recommendations of the Tourism Sector Master Plan, and in consideration of the MAT program.

7. Frequency of Meetings

Working Group meetings shall generally be scheduled once per month or may be scheduled at the call of the chair.

8. Selection of the Chair and Vice-Chair

The Chair and Vice-Chair (if necessary) shall be selected by the Working Group at the first meeting

9. Role of the Chair and Vice-Chair

The Chair shall preside over the meetings of the Working Group and assist the Group in reaching consensus on fundamental policy issues of concern to the Working Group. The Vice-Chair shall assume the authority and perform all the duties of the Chair in the absence of the Chair.

10. Roles and Responsibilities of Members

Working Group Members shall:

- a) Attend and actively participate in all meetings; and
- b) Work with other members to attempt to reach consensus on decisions before the Working Group.

11. Resources

Administrative Support Staff Administrative support will be provided by the City of Barrie by Invest Barrie. The Working Group Secretary works with the Chair and/or the staff lead, to co-ordinate the agenda items, proceedings of the Group, including the taking of minutes, the distribution of minutes and agendas and the general administrative coordination of meetings.

APPENDIX "B"

Draft By-Law

BY-LAW NO. 2018-XXX

A by-law of the City of Barrie to establish a Municipal Accommodation Tax.

WHEREAS the City may, by by-law, impose a tax in respect of the purchase of transient accommodation in the municipality in accordance with Part XII.1 of the *Municipal Act*, 2001, S.O. 2001, Chapter 25, as amended, and the Transient Accommodation Tax Regulation 435/17;

AND WHEREAS at its meeting of DATE, 2018, Barrie City Council approved the establishment of the transient accommodation tax to be imposed on the purchase of accommodations of short duration within the City of Barrie, which will generate revenue which may be shared with designated non-profit entities who promote local tourism as further described in Regulation 435/17;

THEREFORE the Council of the City of Barrie enacts as follows:

Application of Tax

1. (1) A purchaser shall, at the time of purchasing accommodation, pay an accommodation tax in the amount of four percent of the purchase price of the accommodation provided for a continuous period of less than 30 nights provided in a hotel, motel, or inn.
- (2) A provider of transient accommodation shall include on every invoice or receipt for the purchase of transient accommodation a separate item for the amount of tax on transient accommodation imposed on the purchase, and the item shall be identified as "Municipal Accommodation Tax".

Exemptions

2. (1) The municipal accommodation tax imposed by subsection 1(1) does not apply to:
 - (a) The Crown, every agency of the Crown in right of Ontario and every authority, board, commission, corporation, office, or organization of persons a majority of whose directors, members or officers are appointed or chosen by or under the authority of the Lieutenant Governor in Council or a member of the Executive Council;
 - (b) Every board as defined in subsection 1(1) of the *Education Act*;
 - (c) Every university in Ontario and every college of applied arts and technology and post-secondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for the purposes of calculating annual operating grants entitlements from the Crown on accommodations provided to students while the student is registered at and attending the institution;
 - (d) Every hospital referred to in the list of hospitals and their grades and classifications maintained by the minister of Health and Long-Term Care under the *Public Hospitals Act* and every private hospital operated under the authority of a license issued under the *Private Hospitals Act*;
 - (e) Every long-term care home as defined in subsection 2(1) of the *Long-Term Care Homes Act, 2007*, retirement home and hospices;
 - (f) Every treatment centre that receives provincial aid under the *Ministry of Community and Social Services Act*;
 - (g) Every house of refuge, or lodging for the reformation of offenders;

- (h) Every charitable, non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency;
- (i) Short-term shelter accommodation provided by City or its agencies at contracted hotels or motels;
- (j) Every tent or trailer site(s) supplied by a campground, tourist camp or trailer park;
- (k) Every accommodation supplied by employees to their employees in premises operated by the employer; and
- (l) Every hospitality room in an establishment that does not contain a bed and is used for displaying merchandise, holding meetings, or entertaining.

TAX COLLECTED BY SERVICE PROVIDER

3. (1) Providers of transient accommodation shall include on every invoice or receipt for the purchase of transient accommodation a separate item identified as "Municipal Accommodation Tax" for the amount of MAT imposed on the purchase.

(2) Providers of transient accommodation shall collect the MAT from the purchaser at the time the accommodation is purchased and shall remit the MAT to the tax collection agents designated by the municipality pursuant to section 4 within the time prescribed in any MAT notice and shall include monthly statements in the form required by the tax collection agents detailing the number of rooms sold, purchase price and levy collected.

AGENT TAX COLLECTORS

4. (1) The collection and administration of taxes to be remitted by providers of transient accommodation, pursuant to section 3, shall be collected by Tourism Barrie, as agents for the municipality, who shall collect the MAT from providers of transient accommodation providers.

(2) The Mayor and City Manager may designate additional tax collection agents for the municipality and enter into agreements with designated collection agents in consultation with the City Clerk, Director of Finance and Director of Legal Services.

PENALTIES AND INTEREST

5. (1) Penalties and interest at the rate applicable to overdue property taxes shall be payable by the providers of transient accommodation on the non-payment of the full amount of the MAT by the due date set out in the notice, and interest may be added on the first day of default and on each month thereafter in which the default continues.

LIENS

6. (1) All MAT penalties and interest that are past due shall be deemed by the City Treasurer to be in arrears, and shall be transferred to the tax collectors' roll of the City to be collected in the same manner as municipal property taxes and shall constitute a lien upon the lands.

AUDIT AND INSPECTION

7. (1) Every transient accommodation service provider shall keep books of account, records, and documents sufficient to furnish the City and its designated tax collectors with the necessary particulars of sales of accommodation, amount of levy collected and remittance.

(2) The City's tax collectors designated pursuant to section 4 may inspect and audit all books, documents, transactions and accounts of transient accommodation providers and require transient accommodation providers to produce copies of any documents or records required for the purposes of administering and enforcing this by-law, as required.

OFFENCE AND PENALTIES

8. (1) Every person who contravenes any provision of this by-law is guilty of an offence as provided for in subsection 429(1) of the *Municipal Act, 2001*, and all such offences are designated as continuing offences as provided for in subsection 429(2)(a) of the *Municipal Act, 2001*.

(2) A person who is convicted of an offence under this by-law is liable, to a minimum fine of \$500.00 and a maximum fine of \$100,000 as provided for in subsection 429(3), paragraph 1 of the *Municipal Act, 2001*.

(3) A person who is convicted of an offence under this by-law is liable, for each day or part of a day that the offence continues, to a minimum fine of \$500.00 and a maximum fine of \$10,000.00 and the total of all of the daily fines for the offence is not limited to \$100,000, as provided for in subsection 429(3) paragraph 2 of the *Municipal Act, 2001*.

(4) When a person has been convicted of an offence under this by-law, the Superior Court of Justice or any court of competent jurisdiction thereafter may, in addition to any penalty imposed on the person convicted, issue an order:

(a) prohibiting the continuation or repetition of the offence by the person convicted; and

(b) requiring the person convicted to correct the contravention in the manner and within the period that the court considers appropriate.

EFFECTIVE DATE

9. This by-law shall come into force and take effect on January 1st, 2019

APPENDIX "C"
Letters from Hotelers

May 25, 2018

Mayor and Council
Ms. Stephannie Schlichter
Director, Business Development, Invest Barrie
City of Barrie
70 Collier Street,
Barrie, ON, L4M 4T5



Re: Support of Municipal Accommodation Tax for Barrie

Dear Mayor Lehman, Members of Council and Ms. Schlichter,

On behalf of Tourism Barrie, including the tourism businesses we represent, and in consultation with Barrie hotels, I am writing to express our support for the City of Barrie to proceed in implementing a four percent Municipal Accommodation Tax (MAT), effective January 1, 2019. It is our understanding that Provincial legislation permits municipalities to assess an accommodation tax to fund the tourism industry and destination marketing.

We understand that the MAT funds are to be used to fund the promotion of tourism, support new opportunities through product development, facilitate investment in long-term destination plans and strategies and move away from annual funding applications to municipalities. In our view, the investment of MAT funds in this manner will serve to increase hotel occupancies and hence, MAT revenues to the City of Barrie.

Given Tourism Barrie's track record and knowledge of the tourism industry and its management of the destination's digital assets, it is the only qualified and ideal partner to be the non-profit entity designated to receive fifty percent MAT revenues as legislated in the Transient Accommodation Bill 435/17.

Tourism Barrie has thirty years of experience in delivering Visitor Services and operating the year round Tourist Office for the City of Barrie, as well as, seventeen years of experience in managing the digital marketing, websites and social media platforms for the destination. In addition, Tourism Barrie has the knowledge and skills to develop, execute and deliver successful and effective destination marketing strategies, train in experiential product development and create target marketing programs in collaboration with our partners and stakeholders. Tourism Barrie is therefore the best option for the City of Barrie to partner with and enhance the tourism industry.

Tourism Barrie has submitted a proposal to Ms. Schlichter in which we act as the City of Barrie's designate for the collection and administration of the MAT. Tourism Barrie proposes to perform this function in return for an administration fee representing two percent of annual



MAT revenues. Using 2017 figures, the two percent fee would equal \$24,400 annually. Given our organization's well established relationships with Barrie hotels, its proven accounting procedures and systems, verified by an annual audit, the organization is well qualified to perform the collection and administration of a MAT.

In both Kingston and Ottawa, not-for-profit hotel associations act as the collection agent for destination marketing fees and now for the MAT. Tourism Barrie has consulted with these organizations regarding their experience in collecting the MAT and is confident it can effectively and reliably assume this responsibility.

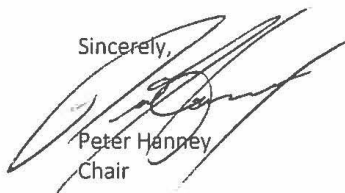
Tourism Barrie is currently managing a \$235,000.00 marketing budget and with the increase in marketing revenues from the MAT, the organization can:

- Participate in marketing opportunities that it could not afford to in the past;
- Invest in digital destination marketing advertising campaigns on Google and social media platforms and on market intelligence to optimized actions, communication, marketing, tourist development and industry insights and effective consumer targeting;
- Leverage and buy into Provincial marketing opportunities;
- Develop new marketing assets and campaigns to promote Barrie as a meeting and conference destination to support the new opportunities arising from the Fisher Auditorium;
- Invest in campaigns that align with the objectives of Invest Barrie for talent attraction and new business investments;
- Brand Tourism Barrie to align and reflect the City of Barrie's new branding and vision.

We strongly believe that the implementation of a MAT in 2019 is critical to the City succeeding in Ontario's competitive tourism market place. With cities across Ontario implementing a MAT to promote their destinations, Tourism Barrie believes that in the near future there will be an increase in competition for visitors and tourism dollars. Tourism Barrie is supportive of a portion of the MAT funds going to the City and believes that those funds should be directed to a capital fund that builds Barrie's tourism sector.

Tourism Barrie looks forward to working together with the City of Barrie on a long-term vision for tourism that will align with our collective economic strategies, Council priorities and bringing prosperity, growth and investments to the City of Barrie.

Sincerely,



Peter Hanney
Chair



April 16, 2018

Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

Dear Ms. Schlichter,

I am writing to express my support for the City of Barrie to implement a four percent Municipal Accommodation Tax (MAT) in 2018. It is our understanding that Provincial legislation allows for cities to impose an accommodation tax, intended for municipalities to fund the tourism industry and destination marketing.

As discussed in our meeting of April 3, 2018, I support the creation of a MAT Management Committee that would have oversight of the MAT budget, audit and inspection powers and would ensure transparency. The committee should be composed of tourism stakeholders, including representatives from the City of Barrie, Tourism Barrie, and the Barrie Hotel Association.

I support that a portion of the MAT funds go to the municipality and believe the funds should be directed to a capital fund that builds Barrie's tourism sector. The MAT Management Committee can have input and oversight on where the funds can be directed to ensure it is invested in long-term destination plans, strategies and infrastructure.

75 Hart Drive
Barrie, ON L4N 5M3
Tel: (705)722-3600 Fax: (705)722-4454
Email: gm@comfortinnbarrie.com Website: www.comfortinnbarrie.com



I believe that Tourism Barrie should be the non-profit entity designated to receive a minimum of fifty percent MAT revenues because it continues to demonstrate its ability to execute and deliver successful and effective destination marketing, experience development, training initiatives and target marketing programs. I think that Tourism Barrie at minimum should receive the legislated fifty percent of the annual MAT revenue in addition to the \$213,500.00 annual service grant for destination marketing and fund the operations of the year-round Tourist Office, which includes travel counselling, management of websites and social media platforms and attending tradeshow.

It is my understanding of the legislation that the MAT funds are not intended to replace existing sources of funding for tourism but to provide adequate long-term sustainable funding to grow tourism receipts, create new opportunities to market the destination and new product development, which will increase the hotel occupancies and MAT revenues. This new legislation provides municipalities with revenues to fund tourism and for the protection of the non-profit tourism models that leverages investments from private industry and government funding.

I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink that reads "Sunkalp Sharma".

Sunkalp Sharma
Owner

April 16, 2018

Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

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I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.

Sincerely,

Sameer Sharma
Director
Crown Group Of Hotels

A handwritten signature in black ink, appearing to read "Murray Lathem".

Murray Lathem
General Manager



April 16, 2018

Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

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Email: gm@comfortinnbarrie.com Website: www.comfortinnbarrie.com

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I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Craft".

Laura Craft
General Manager



April 16, 2018

Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

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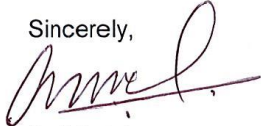
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I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.

Sincerely,



Anil Patel

Royal Oak Inn

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BARRIE

April 25, 2018

Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

Dear Ms. Schlichter,

I am writing to express my support for the City of Barrie to implement a four percent Municipal Accommodation Tax (MAT) in 2018. It is our understanding that Provincial legislation allows for cities to impose an accommodation tax, intended for municipalities to fund the tourism industry and destination marketing.

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I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.

Sincerely,



Ken Montgomerie
General Manager
Holiday Inn Express Barrie
gmhiexpressbarrie@rogers.com

**FOUR
POINTS**
BY SHERATON
April 16, 2018

Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

Dear Ms. Schlichter,

I am writing to express my support for the City of Barrie to implement a four percent Municipal Accommodation Tax (MAT) in 2018. It is our understanding that Provincial legislation allows for cities to impose an accommodation tax, intended for municipalities to fund the tourism industry and destination marketing.

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Four Points by Sheraton Barrie

60 Blythe Drive
Barrie, ON L4N 9Y4
Canada

T 705 733 8989 F 705 725 0982

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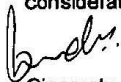
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I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.



Sincerely,

Dev Patel
Owner
Four Points by Sheraton Barrie
dev.patel@fourpointsbarrie.com

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April 16, 2018

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Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

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I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Meffe", written over a horizontal line.

Justin Meffe
905-564-6194
jmeffe@montecarloinn.com

April 16, 2018

Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

Dear Ms. Schlichter,

I am writing to express my support for the City of Barrie to implement a four percent Municipal Accommodation Tax (MAT) in 2018. It is my understanding that Provincial legislation allows for cities to impose an accommodation tax, intended for municipalities to fund the tourism industry and destination marketing.

As discussed in our meeting of April 3, 2018, I support the creation of a MAT Management Committee that would have oversight of the MAT budget, audit and inspection powers and would ensure transparency. To ensure that filling hotel rooms remains a priority of the MAT, I believe the committee should be comprised of primarily Barrie hoteliers/owners and General Managers, including representatives from the City of Barrie and Tourism Barrie

I support that a portion of the MAT funds go to the municipality and believe that they should be directed to a capital fund that builds Barrie's tourism sector. The MAT Management Committee can have input and oversight on where the funds should be directed to ensure that they are invested in long-term destination plans, strategies and infrastructure.

I believe that Tourism Barrie should be the non-profit entity designated to receive a minimum of fifty percent MAT revenues because it continues to demonstrate its ability to execute and deliver successful and effective destination marketing, experience development, training initiatives and target marketing programs. I think that Tourism Barrie at a minimum should receive the legislated fifty percent of the annual MAT revenue in addition to the \$213,500.00 annual service grant for destination marketing to fund the operations of the year-round Tourist Office, which includes travel counselling, management of websites and social media platforms and attending tradeshow.

It is my understanding of the legislation that the MAT funds are not intended to replace existing sources of funding for tourism but to provide adequate long-term sustainable funding to grow tourism receipts, create new opportunities to market the destination and new product development, which will increase hotel occupancies and MAT revenues. This new legislation provides municipalities with revenues to fund tourism

and for the protection of the non-profit tourism models that leverage investments from private industry and government funding.

I believe that the implementation of a maximum four percent tax in the near future will be necessary to ensure that Barrie maintains its competitiveness among tourist destinations in Ontario.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mick Ahluwalia".

Travelodge Barrie on Bayfield & Super 8 Barrie
Mick Ahluwalia, CHRM, CHIA
Vice President, Operations & Acquisitions
InnVenture Hotel Group
mick@innventuregroup.com



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Ms. Stephannie Schlichter
Director, Business Development
Invest Barrie
70 Collier Street,
Barrie, ON, L4M 4T5

Re: Support for Municipal Accommodation Tax for Barrie

Dear Ms. Schlichter,

I am writing to express my support for the City of Barrie to implement a four percent Municipal Accommodation Tax (MAT) in 2018. It is our understanding that Provincial legislation allows for cities to impose an accommodation tax, intended for municipalities to fund the tourism industry and destination marketing.

As discussed in our meeting of April 3, 2018, I support the creation of a MAT Management Committee that would have oversight of the MAT budget, audit and inspection powers and would ensure transparency. The committee should be composed of tourism stakeholders, including representatives from the City of Barrie, Tourism Barrie, and the Barrie Hotel Association.

I support that a portion of the MAT funds go to the municipality and believe the funds should be directed to a capital fund that builds Barrie's tourism sector. The MAT Management Committee can have input and oversight on where the funds can be directed to ensure it is invested in long-term destination plans, strategies and infrastructure.



I believe that Tourism Barrie should be the non-profit entity designated to receive a minimum of fifty percent MAT revenues because it continues to demonstrate its ability to execute and deliver successful and effective destination marketing, experience development, training initiatives and target marketing programs. I think that Tourism Barrie at minimum should receive the legislated fifty percent of the annual MAT revenue in addition to the \$213,500.00 annual service grant for destination marketing and fund the operations of the year-round Tourist Office, which includes travel counselling, management of websites and social media platforms and attending tradeshow.

It is my understanding of the legislation that the MAT funds are not intended to replace existing sources of funding for tourism but to provide adequate long-term sustainable funding to grow tourism receipts, create new opportunities to market the destination and new product development, which will increase the hotel occupancies and MAT revenues. This new legislation provides municipalities with revenues to fund tourism and for the protection of the non-profit tourism models that leverages investments from private industry and government funding.

I see the implementation of a four percent MAT in third quarter of 2018 as the only way to stay competitive in Ontario's tourism marketplace. Thank you for your consideration of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwen Tomkinson".

Gwen Tomkinson
General Manager